

REMARKS

This amendment is submitted in response to the outstanding Office Action mailed October 30, 2008. In view of the following remarks, reconsideration by the Examiner and allowance of this application is respectfully requested.

Claims 1, 2, 4 – 6 and 10 – 25 stand rejected under 35 U.S.C. §101 as being directed to non-patentable subject matter, and under 35 U.S.C. §103(a) as being unpatentable over an SBA Communications Corporation publication and the SBA website (collectively, “SBA”) and Gross et al., U.S. Patent Application Publication No. 2003/0225665.

Claims 2 and 4 have been cancelled and Claim 1 has been amended to more particularly point out and distinctly claim the subject matter applicant regards as the invention. In particular, Claim 1 is amended so it is now directed to a method for the build-out of a cellular network by a communications company by identifying two or more areas where cell towers are needed for a wireless communications network, identifying within each area at least one desirable location for positioning at least one cell tower, identifying at least one parcel of land to acquire through lease within each desirable location and tendering to each property owner the lease acquisition offer, wherein steps (a) through (e) are optionally repeated until enough offers are accepted to build out said network, after which at least some of the parcels of land for which offers were accepted are leased and at least one cell tower is erected on at least one leased parcel of land.

The identification of build-out areas where cell towers are needed, desirable locations, and at least one parcel to acquire is disclosed in the specification at pages 1 – 2. The repeating of the offers is implicit in the description as the method is inherently applied until property rights are acquired that permit network build-out. The disclosure of lease execution and cell tower construction is also implicitly described and inherent throughout the specification; see, for example, page 5, lines 4 – 13, and page 15, lines 4 – 16.

Significantly, Claim 1 has been amended so that it now requires at least one parcel of land within each desirable location to be private and non-commercial. This is disclosed in the specification at page 5, lines 4 – 9, and also does not introduce new matter.

The amendment to Claim 1 therefore does not introduce new matter. Instead, the claim amendments overcome the Examiner's rejection and place the application in condition for allowance. Reconsideration of these and the prior art rejections in view of the following remarks is therefore respectfully requested.

Turning to the rejection under 35 U.S.C. §101, Claims 1, 2, 4 – 6 and 10 – 25 were rejected because the recited process was not tied to another statutory class or transform the underlying subject matter. According to the Examiner, the limitations of the body of the claims involving contact offers and acceptances were unpatentable abstract mental steps. This rejection is respectfully traversed in view of the above claim amendments for the following reasons.

Claim 1 has been amended so the method is now directed to a method for the build-out of a cellular network in which property rights are acquired and at least one cell tower is erected. The claims are now no longer directed to abstract mental steps that fail to transform underlying subject matter.

By amending Claim 1 in this manner, this rejection of Claims 1, 2, 4 – 6 and 10 – 25 under 35 U.S.C. §101 for being directed to non-statutory subject matter has thus been overcome. Reconsideration by the Examiner and withdrawal of this rejection is therefore respectfully requested.

Next, Claims 1, 2, 4 – 6 and 10 – 25 were rejected under 35 U.S.C. §103(a) as being unpatentable over the SBA website (SBA) in view of Melone et al., U.S. Application Publication No. 2002/0138419 and Gross et al., U.S. Application Publication No. 2003/0225665 SBA was cited as disclosing site acquisition, site development and lease negotiating services for pluralities of separately owned properties for terms of years to the wireless communications industry. Melone et al. was cited as disclosing a method and system for structuring, developing, administering and managing a lease transaction that allows a lump sum payment as consideration. While Melone et al. does not disclose a lump sum payment that is less than the aggregate period lease payment over the term of use, Gross et al is cited as disclosing this. This rejection is respectfully traversed in view of the above claim amendments for the following reasons.

The pending claims are directed to a method for the long-term leasing of a plurality of properties, wherein each property owner is tendered a defined lease acquisition offer for a term of years with an up-front lump sum payment as consideration. The lump sum payment is undivided or divided into a series of shorter-term payments for less than one-half of the lease term, and the total lease payment is less than the aggregate projected periodic lease payments for each property over the term of use. These features offer significant advantages to the lease tenant.

SBA does not disclose a method for leasing a parcel of land from a land owner. What SBA discloses are methods for leasing parcels of land to companies after the parcel is leased from the land owner. SBA is the middle-man eliminated by the presently claimed method. By including itself as a middle-man SBA teaches against the presently claimed invention and provides no motivation to modify what is disclosed therein to arrive at the inventive method. On this basis alone the presently claimed invention patently defines over SBA.

That is, it is not obvious to negotiate up-front lump sum lease payment terms when leasing properties from landowners in view of prior art teaching a system for sub-leasing acquired properties to cellular communications companies. The method of the present invention reduces cost by cutting out SBA as the middle man and having companies directly negotiate discounted up-front lump sum lease payments with property owners. This represents an improvement to the teachings of SBA contributed by Applicant, on the basis of which the rejection in view of SBA alone should be withdrawn.

While Melone et al. disclose an up front lump sum rental payment, there is no discount in the aggregate projected periodic rent payment for the lessor. This improvement is also not taught or suggested by Gross et al. Gross et al. has been cited against the Claim 1 limitation reciting that the total rent is less than the aggregate projected periodic lease payments for each property owner over the term of use.

This is not what Gross et al. teaches. Instead, Gross et al. discloses a method in which one party to a lease may treat it as an operating lease for accounting purposes while the other party treats it as a capital lease for accounting purposes. Specifically, a property owner sells a building and leases the land under it to a "tenant." The land is leased for a twenty year term and

the lease payment for the land is deferred until the end of the lease. The “tenant” never uses the property. Instead, the former building owner leases the building and sub-leases the land back from the “tenant.” As long as the net value of the leaseback minus the deferred land lease payment is less than 90% of what the building was sold for, the former building owner is permitted to treat the building leaseback as an operating lease rather than a capital lease.

The net lease payments disclosed by Gross et al. are not a lump sum discount from the aggregate projected periodic lease payments for each property over the term of use. Instead they are an allocation between the value of building rent and land rent for accounting purposes to permit one party to a lease to treat it as a capital lease and the other party to treat it as an operating lease. Claim 1 patentably defines over Goss et al. by requiring that the lump sum lease payment be made up-front and be either undivided or divided into a series of shorter-term payments for less than one-half of the lease term. Gross et al. teach against such a payment allocation because it does not accomplish their accounting objectives.

Further, the teachings of the secondary references are irrelevant because they relate to complex commercial transactions with sophisticated accounting advantages to both parties involved, while the present invention simply recognizes that lump sum up front rent payments that are deeply discounted to the advantage of cellular communications companies are nevertheless highly attractive to private, non-commercial property owners who value obtaining less money immediately above receiving more money over an extended period of time. What represents an advantage to private, non-commercial property owners is of no value to the sophisticated property owners of Melone et al. and Gross et al.

Therefore, not only do Melone et al. and Gross et al. fail to teach discounting the aggregate projected periodic rent payment for the lessor, there is absolutely teaching, suggestion or motivation to do so in either secondary reference because such a discount is not an advantage to their sophisticated lessees. The advantages for cellular communications companies of front-ending lump sum lease payments for cell tower sites over other payment options were previously demonstrated. For large networks the savings over the lease term can approach one billion dollars. This can only be learned by reading the present application.

To summarize, SBA fails to disclose a strategy for negotiating with property owners to acquire property with an up-front lump-sum lease payment, wherein the total rent is less than the aggregate projected periodic lease payments for each property owner over the term of use. The net lease payments disclosed by Melone et al. and Gross et al. do not represent a lump sum discount from the aggregate projected periodic lease payments, the rejections based on these publications should be withdrawn, which is not surprising because the transactions are sophisticated commercial transactions in which such a discounted payment is of no advantage to the property owner.

The amendment to Claim 1 that requires at least one parcel of land to be leased from a private, non-commercial property owner therefore patentably defines over the cited combination of prior art. By amending Claim 1 in this manner, this rejection of Claims 1, 2, 4-6 and 10-25 under 35 U.S.C. §103(a) as being unpatentable over the SBA website (SBA) in view of Melone et al. and Gross et al. has thus been overcome. Reconsideration by the Examiner and withdrawal of this rejection is therefore respectfully requested.

Accordingly, in view of the above claim amendments and the foregoing remarks, this application is now in condition for allowance. Reconsideration is respectfully requested. In the event any issues remain outstanding, the Examiner is requested to telephone the undersigned at the below-listed telephone number so that their resolution may be discussed.

Finally, if there are any additional charges in connection with this response, the Examiner is authorized to charge Applicants' Deposit Account Number 50-1943.

Respectfully submitted,

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